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**FISCAL IMPACT STATEMENT**

**LS 6824**

**BILL NUMBER:** HB 1349

**NOTE PREPARED:** Feb 1, 2006

**BILL AMENDED:** Jan 31, 2006

**SUBJECT:** Animal Hunting Preserves.

**FIRST AUTHOR:** Rep. Ulmer

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) *Hunting Facilities:* This bill prohibits game mammals, elk, and furbearing mammals held under a game breeder's license, except for animals on a game breeder's licensed hunting facility (licensed hunting facility), from being hunted or harvested for sporting purposes. It prohibits hunting or harvesting game mammals, elk, and furbearing mammals held by a licensed hunting facility after July 1, 2013. It establishes requirements for licensed hunting facilities that allow hunting of deer or elk. The bill provides that, except for whitetail deer, deer and elk taken at a licensed hunting facility are not subject to bag, sex, or size limits, or hunting license requirements. It prohibits deer and elk from being released into a licensed hunting facility after July 1, 2011.

*Lifetime Licenses:* It makes permanent a provision authorizing the issuance of lifetime hunting, fishing, and trapping licenses.

*Lifetime License for Veterans:* It allows an honorably discharged veteran to receive a lifetime hunting, fishing, and trapping license without charge.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:** (Revised) *Lifetime Licenses:* The Department of Natural Resources (DNR) will experience an increase in administrative expenses associated with re-establishing the lifetime licenses; however, the fee established for the license could be used to pay for any additional administrative expense.

(Revised) *Lifetime License for Veterans*: This bill also allows an honorably discharged veteran to receive a lifetime license without charge. The DNR could experience additional administrative costs associated with adjusting the point-of-sale license system and specifying requirements to document honorable discharges. It is presumed that the DNR would be able to accomplish these tasks given existing resources.

(Revised) *Hunting Facilities*: The DNR must issue a letter certifying that the person is authorized to operate a game breeder's licensed hunting facility. Before July 1, 2011, a person who operates a licensed hunting facility must submit a plan to the DNR that outlines how all deer and elk will be harvested or removed from the facility. The DNR should be able to implement the above provisions given its existing level of resources.

**Explanation of State Revenues:** (Revised) *Lifetime License for Veterans*: This bill allows an honorably discharged veteran to receive a lifetime license without charge. In the 2000 Census, 590,476 veterans were counted in the state. If 10% of this population, or 59,047, elected to receive a license without charge and if the charge would have been the annual \$8 per license fee, the state would lose \$472,376 in state revenue annually. The fee for a comprehensive lifetime hunting and fishing license prior to July 2005 was \$1,154.

In addition to a potential loss in state revenue, the DNR would also lose federal reimbursement for each license sold. In order to receive federal reimbursement, the DNR must charge a fee that is at least equal to the cost of producing the license, which is about \$3. The federal reimbursement per license has averaged about \$6.60 over the past three years. Given this figure, the state could lose a potential \$389,710 in federal revenue each year.

**The net potential fiscal impact is a decrease in state and federal revenue of approximately \$862,086 for each 10% of the veteran population that obtains a free license.** The revenue loss per veteran who obtains a license is estimated at \$14.60 annually.

Revenue from the sale of fishing licenses goes into the dedicated Fish and Wildlife Fund that is used to pay the operating expenses of the DNR Divisions of Law Enforcement and Fish and Wildlife.

(Revised) *Lifetime Licenses*: Before July 1, 2005, the DNR could issue lifetime licenses. However, P.L. 225-2005 stipulated that provisions pertaining to the lifetime licenses applied only prior to July 1, 2005. The proposal re-establishes the license. Statistics pertaining to the license are listed below.

The fee for a comprehensive lifetime hunting and fishing license prior to July 2005 was \$1,154. IC 14-22-12-7 provided that all money received for this license must be deposited in the Lifetime License Trust Fund (LLTF). IC 14-22-4-6 provides that all accumulated earnings in the LLTF plus 2.5% of the money in the fund must be transferred to the Fish and Wildlife Fund (FWF) to maintain the automated point-of-sale licensing system and to pay the operational expenses of the Divisions of Fish and Wildlife and Law Enforcement.

Based on the sale of one lifetime license at \$1,154, the Divisions of Law Enforcement and Fish and Wildlife could receive 2.5% or approximately \$29 plus approximately \$11 in interest, for a total of \$40. If an individual purchased from the DNR an annual license for hunting and fishing at \$20.75, turkey hunting at \$23, a game bird habitat stamp at \$6.75, a deer firearms license at \$24, and a deer muzzle loader license at \$24, the total license revenue collected, or \$98.50, would be deposited in the FWF to finance the operations of the Divisions of Law Enforcement and Fish and Wildlife.

Lifetime hunting and fishing licenses and the LLTF were authorized in 1983. Prior to July 2005, the DNR sold over 42,000 lifetime licenses. In 2001, 1,547 lifetime licenses were sold. In 2002, over 21,000 were sold after

a fee increase was passed by the Natural Resources Commission in 2001. In 2002, 579 lifetime licenses were sold. In 2003, 668 licenses were sold.

The lifetime license fee is the annual license fee multiplied by 20. Use of a lifetime license beyond 20 years could result in less revenue generated relative to annual purchases.

As of November 2005, the LLTF had a balance of \$8.8 M.

(Revised) *Hunting Facilities*: The bill provides that the operator of a licensed hunting facility must pay the DNR \$250 per buck killed and \$50 per doe killed on the licensed facility. The amount of revenue that will be generated by the fees is indeterminable.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** DNR.

**Local Agencies Affected:**

**Information Sources:** DNR.

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